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STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



THOMAS D. WATKINS, JR.  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

**FISCAL YEAR 2003  
CHILD AND ADULT CARE FOOD PROGRAM  
OPERATIONAL MEMO #2**

**TO:** Child and Adult Care Food Program Sponsors

**FROM:** Peggy Pawelek Brown, Manager  
Food and Nutrition Program

**DATE:** October 17, 2002

**SUBJECT:** New Law on Eligibility for For-Profit Centers

The Richard B. Russell National School Lunch Act has been amended to permit for profit child care centers providing child care outside of school hours in all States to participate in CACFP if 25 percent of their participants are eligible for free and reduced price (Category A/B) meals. This provision is in effect through September 30, 2002. It does not remove, or in any way affect, the eligibility status of for profit organizations that participate in the CACFP under the Title XX provision. New or currently participating for profit organizations may choose to participate under either eligibility provision or both (provided they meet the appropriate requirements) through September 30, 2002. Notification will be given if and when it is extended. The application process may continue, however, approval will be contingent upon the extension of this provision.

For profit organizations entering the CACFP under this new provision must meet all other program requirements applicable to participating institutions, including the requirement to maintain a nonprofit meal service.

Finally, for profit centers may not combine children receiving Title XX support with children meeting the free and reduced price (Category A/B) eligibility criteria in order to meet the 25 percent threshold; on a monthly basis they must participate as either a proprietary Title XX center or a proprietary free and reduced price (Category A/B) center.

If you have any questions regarding this memo you may contact our office at (517) 373-7391.

**L Please keep this memo on file or in a notebook for quick and easy reference.**

PPB/JS/glm

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